(b) if so, on whose recommendations they were fixed and when and how often they have been revised;

(c) what is the sanctity of such norms when quantity of input changes with efficiency and scale of operation;

(d) whether it is a fact that such norms are the main hindrances for exports and are helping in the development of vested interests; and

(e) what steps are being taket to dismantle the norms and monitor exports on the basis of norms which are leading to loss of foreign exchange and transfer of vital raw materials, if so, what is the reaction of Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) (a) to (e) The focus of Duty Exemption Scheme, a key export promotion measures, rests on standardisation of Input-Output Norms. The norms facilitate determination of proportion of various inputs required in the export items. The standardisation of norms is a continuous and on-going process and they provide easy and guaranteed access of duty free imports and speedy disposal of applications.

Input-Output Norms have been fixed for a number of Drug products. The norms are fixed on the recommendation of Special Advance Licensing Committee (SALC), an inter-Ministerial Committee in the Office of the Diretcor General of Foreign Trade. With change of efficiency and scale of operation. the norms are also modified as and when the SALC is approached. In view of the predictable and non-discretionary operation introduced by standardisation of norms which are a help to the exporters ratherr than hindrance, there is no proposal to dismantle the procedure for standardisation of norms.

Closure of coffee board sales outlets

5092. SHRI B. K. HARIPRASAD: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that there has been a total confusion in the domestic coffee market due to closure of Coffee Board sales outlets all over the country;

(b) what is the reason for there being no adequate release for domestic consumption and why the Coffee Board has failed to stabilise the prices at reasonable levels; and

(c) whether Government would nationalise the concept of economic price for mass consumption items like coffee, co-relating the same with the purchasing power of the consumer and whether Government would abandom the proposal for switching over to a 100 per cent free-sale quota regime until adequate supplies are ensured for domestic consumption?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) No, Sir. Out of 62 promotional outlets of Coffee Board, 61 are functioning till date.

(b) There is no shortage of coffee in the domestic market. The price rise of coffee has been mainly due to the sharp increase of price in the international market owing to reported crop failure in Brazil. In order to ease the situation in the domestic market, the Govt. had put a quantitative restriction on exports apart from banning few grades of coffee for export till 31st December, 1994 and it was removed after ensuring adequate availability of coffee in the domestic market. However, domestic prices continue to be determined by international movement of coffee prices.

(c) In step with the policy of liberalisation enunciated by the Govt., decisions with regard to FSQ has

been announced on 22nd April, 1995 which allows 100 per cent Free Sale Quota to small growers having holding size below 10 hect. and 70 per cent Free Sale Quota to the rest of the growers. It is not practicable in the liberalised trade regime to fix economic price for coffee in the domestic market.

Dumping of China

5093. SHRI VAYALAR RAVI: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that China is "dumping" its products in India which forced closure of some Indian companies;

(b) if so, what action has been taken against such "dumping"; and

(c) the initiative taken to prevent "dumping"?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): The Designated Authority for Anti-Dumping in the Ministry of Commerce has received petitions alleging dumping of certain products from China. However, no information is available with the Designated Authority about the closure of any Indian Company as a result of dumping by China.

(b) The Designated Authority has initiated investigation in cases where there was prima-facie evidence of dumping and material injury to the domestic industry therefrom. Provisional duties have been recommended and levied wherever found necessary.

(c) An Anti-dumping Division has been formed in the Ministry of assist the Designated Authority in investigating "dumping" allegations. Further, amendments have been made to Customs Tariff Act, 1975 and the Customs Tariff (Identification, Assessment and Collection of Duty or Additional Duty on Dumped Articles for Determination of Injury) Rules, 1995 have been framed to deal effectively with dumping.

New categorisation by EO Introducing different rates of traiffs

5094. SHRI VAYALAR RAVI: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the European Union (EU) introduced a new categorisation of various States to introduce different rate of traiffs;

(b) if so, to what extent this will affect Indian exports to these EU countries; and

(c) steps taken to minimise the damage to our exports to EU countries?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (c) One of the salient features of the European Union's new GSP scheme, which entered into force on 1st January 1995, is "graduation". Under this policy, countries with a per capita GNP of over US $6000 in 1991 will get only 50% of GSP benefits w.e.f. 1st April 1995 and will be excluded from GSP altogether w.e.f. 1st January 1996. Countries with per capita GNP of less than US 6000 will have a 50% reduction of benefits w.e.f. 1st January 1997 in sectors where they have achieved a high degree of trade specialisation, with GSP benefits withdrawn altogether for these sectors w.e.f. 1st January 1998.

The graduation mechanism will also apply to beneficiary countries whose exports of products covered by GSP in a given sector exceed 25% of all beneficiary countries exports to the Community in that sector. For